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# Advertising Age®

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*The International Newspaper of Marketing*

November 7, 1983

**Special Report**

## Media Outlook: What lies ahead in trends, costs and competition

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**Book Bonanza**

## 'Potboiler' novels: The marketing of sex, scandal and seduction

— Page M-4

**Monty Python star**

## John Cleese takes to tv advertising with a comic vengeance

— International section

**An Ad Age survey**

## Which celebrity presenters get the best audience recall?

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**Modernistic** look is featured in new Foamy gel tv spots.

# *Gillette's Foamy starting to gel*

**By GAY JERVEY**

Gillette Co. tonight will break a $5 million tv advertising campaign for its new Foamy gel designed to bring a little sophisticated sex appeal to shaving ads.

The Boston-based company hopes that its new entry—which comes from the personal care division (AA, Aug. 1)—will not only hone in on S.C. Johnson & Son's category pioneer and leader Edge, but also attract new users to gels.

The introductory Marschalk Co.-created commercials use a steely, fashionable sell. The slickly packaged product rolls across corrugated steel. A man is alone with his mirror, strobe lights and Foamy gel. Splashing water dances slowly across his 5 o'clock shadow. On goes the gel.

These fast-paced segues are accompanied by synthesized music that Andrew Langer, Marschalk's president and top creative executive, compares with the instrumental theme to the movie, "The Good, the Bad and the Ugly." The pitch is: "Introducing new Gillette

*(Continued on Page 90)*

# Competitors study plans to battle PCjr

**By ROBERT RAISSMAN**

IBM's PCjr has yet to reach retail shelves, but the computer giant's newest baby already is muscling the competition and giving the home computer industry time to pause and reflect on what the future holds.

IBM has taken the wraps off the product but elected to keep it off the market until the first quarter of '84, giving hardware and software marketers a number of questions to ponder, including:

- Did IBM forego having PCjr on the market for Christmas to stall home computer-buying decisions, thus tying up the competition?
- What effect will the introduction have on software marketers, and which ones will benefit?
- Is there a chance that PCjr could take market share away from IBM's Personal Computer?

Timing continues to play a key role in the PCjr saga. An IBM spokesman said any ad campaign would reflect the timetable created for bringing the unit to market: Introduction last week, delivery of demos in December and delivery to customers during the first quarter of 1984.

Initial publicity releases indicate PCjr will be promoted for offices as well as home and classroom use.

However, sources said that the PCjr ad agency, Lord, Geller, Federico, Einstein, has not been told when to break the campaign.

The competition is anxiously awaiting that moment as they plot their own counterattacks.

Apple Computer executives were not talking, and Coleco executives were too busy worrying about the

**PCjr magazines sprout—Page 90.**

fate of their Adam—shipped three weeks ago—and would not comment on the introduction.

Both companies are seen as the most direct competition to PCjr.

An Atari spokesman said PCjr would not compete directly with the company's two home computers because they are lower-priced. Atari already has postponed the introduction of two higher-price home computers.

David Harris, Commodore International vp, said his

*(Continued from Page 90)*

## Holds slim lead over ABC in 5-week average

# CBS ratings top another week

**By JAMES P. FORKAN**

NEW YORK—CBS-TV remained the ratings front-runner as the new fall season began its sixth week, a season in which the new series again are proving to be chumps rather than champs.

Only three new shows contributed to CBS' leadership; three other series entering their second seasons also assisted. The freshman and sophomore crop at ABC and NBC were less influential.

Among the tv newcomers, only three series are above the 30-share mark (CBS' "AfterMASH" and "Scarecrow & Mrs. King" and ABC's "Hotel"), whereas 17 entrants had 25 or less shares after five full weeks.

CBS' fourth weekly victory of the season once again was described by CBS executives as a "decisive" margin—1.3 rating points ahead of ABC's 16.6 average and 2.9 points ahead of NBC's 15.0. In winning Monday, Thursday and Friday and tying ABC on both Saturday (usually an ABC night) and Sunday, CBS consolidated its season-to-date lead; ABC, which snared Wednesday but lost Tuesday to NBC in the latest week, took the season lead only briefly when the World Series lifted its Nielsens.

In the five-week averages, CBS (with a 17.9) held a three-tenths-point lead over ABC; the gap between CBS and NBC was 2.6 points. CBS was 1% off its five-week pace of a year ago (18.0) and NBC was down 8% (from 16.7), while ABC jumped 8% from 16.3; the World Series figured in those changes, NBC having had that baseball event a year ago. NBC, however, pointed out that, excluding baseball, its five-week average rose 6% to 15.4, as ABC also gained 6% to 16.9.

The fifth week also found homes using television levels at 62.7, up from 60.9 during the comparable week a year ago, network researchers noted.

The season-long averages for newcomers were, in some cases, slightly misleading, because they

*(Continued on Page 91)*

# highlights

**Monday, November 7, 1983**

**Paul Foley**, retired chairman of Interpublic, is dead at age 69. *See Page 6.*

**Ally & Gargano's** decision to go public could make it the smallest U.S. agency to be publicly held. *See Page 10.*

**The U.S. Postal Service** jolted bulk mailers last week with its announcement of across-the-board rate hikes it seeks for next fall. *See Page 12.*

**Quaker Oats** is revamping strategy for its Gatorade drink business by expanding it geographically and demographically. *See Page 20.*

**New product development** is increasingly attracting the interest of chief executive officers, an ANA workshop was told, but there is still work to be done by top management. *See Page 28.*

**The Manchester** *Union Leader* is maintaining its unflinchingly conservative presence under the widow of the late publisher, William Loeb. *See Page 36.*

**Fast-food** restaurant chains are experiencing a surge in sales due to new-product introductions and a healthier economy. *See Page 40.*

**Chrysler Corp.** will turn to Japan for additional small cars if General Motors brings in imports through its pending deal with Toyota. *See Page 42.*

**Advideo Journal** is continuing to make headway by "sliver-casting" programing aimed at smaller, specialized audiences. *See Page 44.*

**Off-price** retailing appears in yet another form, catalog mailings from a new Zayre division. *See Page 58.*

**Nuvatec** has unveiled an interactive video system that applies videogame technology to traditional point-of-purchase display. *See Page 60.*

**Esquire** goes for the gold with an elaborate bash celebrating its 50th anniversary and a record issue. *See Page 73.*

### CORPORATE CLOSEUP

**Castle & Cooke Foods**, under the leadership of former Coca-Cola Co. vice-chairman Ian Wilson, is moving away from being production-oriented and supply-driven and toward becoming a marketing-oriented company. *See Page 4.*

### INTERNATIONAL

**Leo Burnett Co.** is considering setting up more "second agencies" internationally to attract creative people. Burnett's first such agency was set up last year in Germany. *See Page 50.*

**Famous Amos** chocolate chip cookies will be making their debut in Hong Kong this month, with a new campaign created by Synergie Communications, a Kenyon & Eckhardt affiliate. *See Page 50.*

**Foot-dragging** in the U.S. is darkening the future of direct broadcast satellites worldwide, according to some participants at an international telecommunications conference. *See Page 52.*

### VIDEOTECH

**Warwick Advertising** has completed an agency consumer survey that finds consumers are indifferent or unhappy with cable tv. *See Page 66.*

**Hearst/ABC Video**, the owner of ARTS cable channel, is soliciting financial aid from system affiliates to keep the unprofitable cultural network alive. *See Page 67.*

### MAGAZINE

**Racy novels about sex** and scandal make megabucks, and their publishers are spending megabucks to market them. *See Page M-4.*

**Media outlook:** Media buyers are working in an atmosphere of caution, but a good sign is that rate increases should be the lowest in recent years. *See Page M-9.*

**Some marketers** choose sales promotion because its advantages often overshadow the attraction of advertising. *See Page M-52.*

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# Swift eyes split 30s for 2 foods

**By JANET NEIMAN**

CHICAGO—In time for the Thanksgiving holiday, Swift & Co. will break a new campaign this week for Butterball turkeys—the first effort from Grey Advertising, New York, which took over the business in August of last year.

"America's first turkey," is the theme of the advertising.

The company also is considering using split 30-second spots for its Soup Starter line and Peter Pan peanut butter.

The 15-second Soup Starter segments would use new advertising for the line that began last week, paired with new commercials of the same length for Swift's Peter Pan.

"Depending on what you want to communicate, different commercial lengths can be appropriate," a Swift marketing official said.

Using split 30s "really is not unlike what happened in magazines in the last 20 years," he continued. "It used to be you could only buy full pages or half-pages. Finally somebody decided to give the consumer what he needed. This is an evolutionary thing."

He refers to the fact that magazines today sell various sizes and

*(Continued on Page 90)*

# Agency media heads approach '84 with caution

By Herbert Zeltner

The media outlook for 1984 can best be summed up in one word—"caution." And caution to a surprising degree in view of the brightening economic scene for business in general.

At least this is the belief of seven top agency media executives as they survey budgets and strategies for the coming year. Combined, these seven (*see accompanying listing*) are responsible for watching over media investments totaling well over $5 billion. Thus, their views on emerging trends, new alternatives, difficulties and pressures are important in sketching the national media scene in coming months.

In commenting on next year's media budgets, those willing to estimate totals for established brands see increases restricted pretty much to the 4% to 8% range—either "holding" or not much above an anticipated 5% to 6% rate of inflation.

**Advertisers are looking to establish strong profit records and will be slow to loosen their purse strings, according to our panelists.**

Why this somewhat surprising lag? One member of our panel, Gerald Moody of Ross Roy, sums up the feeling of the group: "There's simply no enthusiasm for the solidity of this economic upturn."

Several others support his view, suggesting there's a great deal of client caution in moving out more aggressively, at least as far as advertising investments are concerned. Additionally, they see new product introductions and rollouts as moving very, very slowly.

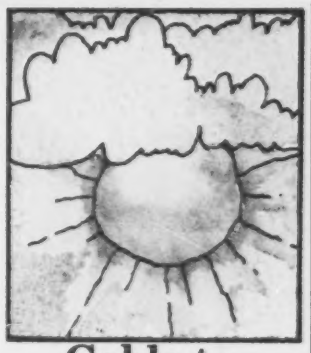
One media director notes that he has seldom seen clients as "tight-fisted" as they are this budget and planning season. He believes advertisers are looking to establish strong profit records right now as conditions improve. They don't want to spend all the money saved through cost cutbacks and productivity improvements forced on them by the difficult business conditions of the past two years.

Robert Geis of Wells, Rich, Greene sees, as an outgrowth of this conservative advertising investment climate, many headaches ahead for mass, general audience advertisers. With expensive, broad-brush media losing some of their traditional popularity—and with continuing fractionalization in all categories into narrower alternatives—cost-conscious advertisers and agencies will be facing the loss of some economies of scale. As a result, costs per thousand are likely to be noticeably higher than ever before.

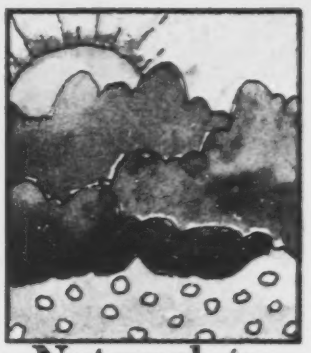
Although the media executives in our panel are pleased with the rapidly growing number of smaller, more-specialized media choices available, they register frustration and reflect client irritation about the erosion of efficiency involved in this shift.

The group is just about unanimous in believing that 1984 media plans will be more complex and detailed than ever before—with more emphasis on targeting particular geographic markets and concentrating weight in more precise demographic subsegments. While certainly not a new trend, moves in this direction seem to be more wide-ranging and intense than before. This emphasis is bound to affect all media categories—and most product sectors—in significant ways.

*Herbert Zeltner is chairman of the* Advertising Age *Editorial Sounding Board.*



Cable tv



Network tv

# Next year's cost increases may average only 6%

By Robert J. Coen

The era of annual double-digit price increases for the major media has finally ended.

The increase in unit costs in 1983 is less than 10% for all media except two minor ones. The media unit cost index for direct mail, which is reported for the first time this year, actually posted a decline.

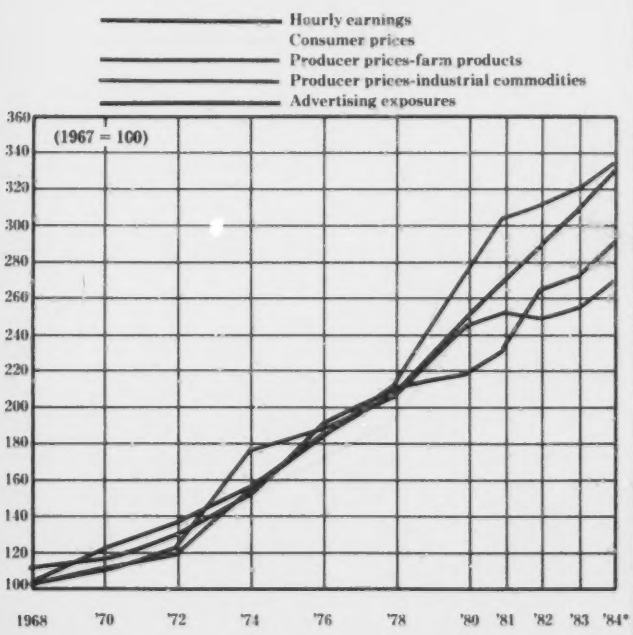
The composite media unit cost rise for 1984 is projected at a rate of approximately 6%, which is much smaller than the increase of nearly 12% last year.

From 1976 to this year most major media were able to pass along higher operating costs in the form of higher prices. But now this practice is being challenged by marketers, which have been forced to drastically modify their own pricing policies.

As the inflation rate has moderated, many industries have experienced sharp drops in their annual price rises. There have been price rollbacks in some areas of the economy and even givebacks by some labor unions. Buyers of time and space, therefore, do not look kindly toward any medium announcing a percentage increase that is double or triple the recent changes in the consumer price index (CPI).

*Robert J. Coen is senior vp-director of media research, McCann-Erickson, New York. He often writes about media costs for* Advertising Age.

## Various cost indexes




*Estimated
Source: McCann-Erickson

### Media cost indexes

The three accompanying charts and one of the two data tables are in the index format. The year 1967 is used as the index base year of 100 because it is still the most commonly used by the government for a multitude of economic indicators, such as the CPI.

For more than three decades, McCann-Erickson has tracked media unit costs, audience delivery and the changes in cost-per-thousand. This year for the first time, we have included price trend data for advertising messages distributed by mail—the direct mail medium. The direct mail index reflects the trend in postage costs for mailing third-class advertising mail in bulk with maximum presort discounts.

The McCann-Erickson annual advertising expenditure reports have been one of the main sources for developing the indexes because the yearly change in expenditures is often a function of the change in the price of time and space, combined with the change in the volume of units purchased. Synthesis of data from different sources is necessary when actual prices are not publicly known.

Each of the major media has experienced a different price trend in the past, and each faces a different set of future conditions. These trends and the possible projections for each medium are as follows:

**Forecasts indicate that the composite media unit price jumps in 1984 will be the lowest in many years, in part because of the slowing rate of inflation.**

### Newspapers

Newspaper advertising rates now are about 3⅓ times higher than in 1967. We expect a significant increase again in 1984 with rates for many papers getting to a level nearly four times higher than 1967.

Over the years, newspapers have been plagued by soaring costs for labor, paper and distribution. Circulation growth slowed, and the papers were not able to raise the price per copy as much as their rising costs would justify without risking a serious loss in readership and influence. As a result of these conditions, in many markets newspaper advertising rates rose at a much faster rate than most other marketing costs, and the retailers and key manufacturers are reexamining their scheduling practices.

In 1982, newspaper ad revenue growth was stunted by large declines in classified and retail linage, and sizable rate increases for 1983 were announced as compensation in case the trend continued. But now newspapers are faced with reactions from many key advertising clients, and, therefore, rate increases should gradually moderate.

In 1984 we expect the U.S. inflation rate to be very close to 5%, yet many newspapers will still be tempted to impose double-digit rate increases for next year.

However, we believe newspapers in many markets are reexamining rate strategies. They finally are becoming aware of the lower inflation rate, a growing number of disgruntled customers and the threat from the direct mail medium. In 1984 the cost of newspaper advertising linage is expected to rise by about 8% in most major markets.

### Magazines

Magazine advertising rates traditionally have increased more slowly than those of other media. Individual magazines usually find themselves competing with several others for the ad dollars directed to the market segment they are edited to serve. The competition is intense, and the magazine that raises prices too fast is likely to lose important page volume. Many magazines also are able to pass along a sizable share of their cost to their readers without risking too much in circula-